

**TELCO COMMUNITY  
VOLUNTEERS**

**FINANCIAL STATEMENTS  
WITH REVIEW ENGAGEMENT REPORT**

**JUNE 30, 2018**

**(Unaudited)**

# TELCO COMMUNITY VOLUNTEERS

June 30, 2018

(Unaudited)

## Contents

	<u>Page</u>
<b>Review Engagement Report</b>	1
<b>Financial Statements</b>	
Statement of Financial Position	2
Statement of Operations and Changes in Fund Balances	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 8



## Franklin, Daurio LLP Chartered Professional Accountants

Suite 513, 220 Duncan Mill Road, Toronto, Ontario, M3B 3J5

Tel: (416) 444-3906 Fax: (416) 447-9798

### REVIEW ENGAGEMENT REPORT

To the Members of  
**Telco Community Volunteers**

We have reviewed the accompanying financial statements of **Telco Community Volunteers** that comprise the statement of financial position as at June 30, 2018, and the statements of operations and changes in fund balances, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Telco Community Volunteers as at June 30, 2018, and the results of its operations and changes in fund balances, and cash flows for the year then ended in accordance with Canadian accounting standards for Not-For-Profit Organizations.

*Franklin, Daurio LLP*

Chartered Professional Accountants, Licensed Public Accountants

October 10, 2018

Toronto, Ontario

**Telco Community Volunteers**  
**Statement of Financial Position**

As at June 30, 2018

(Unaudited)

	2018	2017
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 68,264	\$ 63,871
Investments	380,103	481,482
Prepaid Expenses and Sundry	4,369	4,369
	<b>452,736</b>	<b>549,722</b>
<b>TOTAL ASSETS</b>	<b>452,736</b>	<b>549,722</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current</b>		
Accounts Payable and Accrued Liabilities	5,775	5,721
<b>Fund Balances</b>		
Operating Fund	446,961	544,001
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 452,736</b>	<b>\$ 549,722</b>

Approved on Behalf of the Board:

\_\_\_\_\_ Director

The accompanying notes are an integral part of these financial statements.

**Telco Community Volunteers**  
**Statement of Operations and Changes in Fund Balances**  
For the year ended June 30, 2018

(Unaudited)

	<b>2018</b>	<b>2017</b>
<b>Revenues</b>		
Dividend income	\$ 12,644	\$ 15,794
Other income	23,361	19,457
Gain on sale of investments	10,975	16,106
	<b>46,980</b>	<b>51,357</b>
<b>Expenses</b>		
Meals and entertainment	109,284	100,239
Management fees, investment portfolio	6,845	8,072
Professional fees	5,571	5,609
Hall rentals	4,991	4,888
Office and general	4,564	4,120
Travel	2,660	4,015
Insurance	3,978	3,788
Speakers	1,875	2,303
Miscellaneous	1,184	1,159
Fellowship	100	928
Supplies	-	270
Donations	75	-
	<b>141,127</b>	<b>135,391</b>
<b>Excess of Expenses over Revenues Before the Undernoted Item</b>	<b>(94,147)</b>	<b>(84,034)</b>
<b>Unrealized Gain (Loss) on Investments</b>	<b>(2,893)</b>	<b>5,055</b>
<b>Excess of Expenses over Revenues</b>	<b>(97,040)</b>	<b>(78,979)</b>
<b>Fund Balance, Beginning of the Year</b>	<b>544,001</b>	<b>622,980</b>
<b>Fund Balance, End of the Year</b>	<b>\$ 446,961</b>	<b>\$ 544,001</b>

The accompanying notes are an integral part of these financial statements.

**Telco Community Volunteers**  
**Statement of Cash Flows**  
**For the year ended June 30, 2018**  
(Unaudited)

	<b>2018</b>	<b>2017</b>
<b>Net Inflow (Outflow) of Cash Related to the Following Activities:</b>		
<b>Cash Used in Operating Activities</b>		
Excess of Expenses over Revenues	\$ (97,040)	\$ (78,979)
Items not Involving Cash:		
Unrealized Loss (Gain) on Investments	2,893	(5,055)
Changes in:		
Prepaid Expenses and Sundry	(1)	1,487
Accounts Payable and Accrued Liabilities	55	(496)
<b>Net Cash Used by Operating Activities</b>	<b>(94,093)</b>	<b>(83,043)</b>
<b>Cash Flows from Investing Activities</b>		
Investments	98,486	94,442
<b>Net Increase in Cash</b>	<b>4,393</b>	<b>11,399</b>
<b>Cash, Beginning of the Year</b>	<b>63,871</b>	<b>52,472</b>
<b>Cash, End of the Year</b>	<b>\$ 68,264</b>	<b>\$ 63,871</b>

The accompanying notes are an integral part of these financial statements.

# TELCO COMMUNITY VOLUNTEERS

## Notes to the Financial Statements

June 30, 2018

(Unaudited)

---

### 1. Purpose of Organization

Telco Community Volunteers (the "Organization") was incorporated on September 22, 2000 as a not-for-profit corporation.

There are five "retiree clubs" (Brampton, Fieldway, Oakville, Scarborough, and Toronto). The objective of the Organization is to improve the well-being and happiness of life members by providing financial assistance, and to provide projects of educational, fellowship, cultural and social activities. To March 24, 2008, funding for the Organization was funded by the income of the estate of Pauline Baxter Moore ("PBM"). Effective March 24, 2008, the capital of the PBM estate was transferred to the Organization and funding for the Organization was provided, without restriction, by the income and capital of the investments transferred.

For Canadian income tax purposes the Organization qualifies as a not-for-profit organization which is exempt from income tax under the Income Tax Act.

### 2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles. The significant policies are:

#### a) Fund Accounting

The Organization follows the restricted fund method of accounting for contributions.

The Restricted Fund reports resources restricted as to use at the time of the contributions. There are currently no restricted funds.

The Operating Fund represents unrestricted resources available for the operations and the administration of the Organization, and providing services and assistance to members.

# TELCO COMMUNITY VOLUNTEERS

## Notes to the Financial Statements

June 30, 2018

(Unaudited)

---

### **b) Revenue Recognition**

Restricted contributions are recognized as revenue of the Restricted Funds. Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue on the accrual basis. Investment income earned on externally restricted investments is recognized as revenue of the Externally Restricted Fund.

All other investment income earned is recognized as revenue of the Operating Fund.

Other revenue includes revenue from luncheons and event ticket sales, and other miscellaneous receipts. The revenue from these is recognized when the amount can be reasonably estimated and collection reasonably assured, and the event to which the revenue relates has occurred.

### **c) Financial Instruments**

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all its financial assets and liabilities at amortized cost, except for its investments, which are measured at fair value. Changes in fair value are recognized in the Statement of Operations. Transaction costs associated with the acquisition of these investments are recognized in the Statement of Operations in the period incurred. All other financial instruments are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument.

Financial assets measured at amortized cost include cash. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Organization's financial assets measured at fair value include its investments which include money market funds, mutual funds and equities.

### **d) Use of Estimates**

The preparation of financial statements in accordance with Canadian Accounting Standards for Not-For-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include those used when accounting for accounts payable and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

# TELCO COMMUNITY VOLUNTEERS

## Notes to the Financial Statements

June 30, 2018

(Unaudited)

---

### e) Contributed Materials and Services

Contributions of material and services are recorded as revenue at fair value at the date of contribution if fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased. Services contributed by volunteers are not recognized in the financial statements due to the difficulty in determining their fair value.

### 3. Investments

Investments are made up of the following:

		<b><u>2018</u></b>		<b><u>2017</u></b>
		<b>Total</b>		<b>Total</b>
Money market fund	\$	1,390	\$	3,648
Mutual funds		<b>190,880</b>		253,056
Equities		<b>187,833</b>		224,778
	<b>\$</b>	<b>380,103</b>	<b>\$</b>	<b>481,482</b>

The investment portfolio is held at a subsidiary of a major Canadian chartered bank, which acts as custodian.

# TELCO COMMUNITY VOLUNTEERS

## Notes to the Financial Statements

June 30, 2018

(Unaudited)

---

### 4. Financial Instrument Risk Disclosure

The significant financial risks to which the Organization is exposed are:

a) **Interest rate risk:**

Interest rate risk is the sensitivity of the investment portfolio to fluctuations in market interest rates. The Organization is subject to interest rate risk with respect to its fixed income securities. There is an inverse relationship between interest rates and the value of the Organization's fixed income securities. The Organization mitigates its interest rate risk by an investment policy to vary the maturity dates of its investments.

b) **Credit risk:**

Credit risk is the ability of the issuer of the investment to make interest payments and repay the principal. The Organization manages its credit risk on its investment portfolio by limiting its investments to those issued or guaranteed by federal or provincial governments along with major Canadian banks and corporations.

c) **Liquidity risk:**

Liquidity risk is the risk that the Organization will not be able to meet its obligations associated with the financial liabilities. The Organization has significant investments which generate investment income to fund its operations.

d) **Other price risk:**

The Organization is subject to other price risk as it has investments in the stock market.

Price risk is the sensitivity of the investment portfolio to fluctuations in the stock market prices. There is a direct relationship between stock market performance and the value of the Organization's investment portfolio. The Organization mitigates this risk by varying its investments.

There have been no changes in the Organization's risk exposures from the prior year.